GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:4992
ANSWERED ON:29.04.2008
LIBERALISATION OF TRADE
Reddy Shri Magunta Sreenivasulu

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

he measures being taken by the Government in the liberalisation of trade in services and investments?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY(SHRI JAIRAM RAMESH)

India has been a demandeur and an active participant in the services negotiations at the World Trade Organization. Under these negotiations India has taken comments in various services sectors during the Uruguay Round. Further, in the ongoing services negotiations under the Doha Round India has offered deeper and broader sectoral and modal coverage in its Revised Offer. This is in line with the policy of liberalization of various services sectors within the country.

India's services exports were US$76.18 billion in the year 2006-07 with a growth of 24% compared to the earlier year. This has been possible due to various measures taken by the government in the liberalization of services especially in the financial, telecommunication, tourism and transport sectors. Further, in order to enhance services exports the government has recently set up a Services Export Promotion Council.

India has entered into a Comprehensive Economic Cooperation Agreement (CECA) with Singapore covering Trade in Services and Investments. India is also negotiating comprehensive trade agreements with a number of countries, in line with its policy of increasing trade in services and investments.

Foreign Direct Investment (FDI) policy covers investment in the manufacturing and services sector. In order to attract FDI in India a liberal and transparent policy has been put in place according to which FDI in most sectors/activities is permitted up to 100% under the automatic route and only in some sectors there are FDI caps of less than 10%.These measures have yielded positive results and FDI in the year 2006-07 amounted to US$ 15.7 billion.